



The Invisible Market for Wood Residue

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The benefits of using wood for BTU production extend beyond the plant lowering their energy costs.

The pallet industry has a great financial and environmental story to tell which is not being told. In this era of rising and unstable energy costs, insecure energy supply, jobs going overseas and growing concern over green house gas emissions, everyone in the pallet industry should be asking, "Why isn't wood fuel finding more traction in the market place?" Wood fuel prices per delivered British Thermal Unit (BTU) are often less than 50 percent of fossil fuel cost and these prices have been remarkably stable over the last 20 years. In addition, wood fuel is locally available, creates jobs associated with harvesting, transporting and maintenance, and is considered "greenhouse gas neutral" by

the international environmental community.

Dry wood residue (10 percent moisture content) valued at \$35/ton will produce 1 million BTU for about \$3.27. Green wood residue valued at \$25 a ton will produce 1 million BTU for about \$3.24. In areas of the country where the fossil fuel cost is \$9.00/million BTU, the BTU in a ton of green wood are worth over \$70/ton and a ton of dry wood is worth over \$97/ton. Clearly any company which has wood residue can generate significant energy savings by burning this residue for heat in the winter.

If your business generates wood residue and you are not burning wood for BTU production, think about what

is stopping you. Chances are your concerns fall into four areas: labor requirements, safety concerns, regulatory fears and/or insurance barriers.

There is no question that heat production from wood increases labor requirements over fossil fuel, but the overall savings can still be dramatic. Ask any company that is burning wood about the cost effectiveness of energy savings and you are sure to hear, "I honestly do not know why more people are not using wood residue as fuel."

A major misconception is that burning wood in a wood-based facility presents serious safety issues. As with any piece of capital equipment brought into a plant, sound business practices make it essential to do your homework

